

## INSTRUCTIONS FOR PREPARING TIFFIN CITY INCOME TAX RETURNS

**HEADING** - If this return is made for a period other than the calendar year, insert the beginning and ending date of the period. Enter your name and account number if it is not already printed on your return. If you do not have an account number, one will be assigned upon the receipt of your return. Fill out remainder of top section with necessary information.

- LINE 1 - (Column 1)** Enter the name of each individual employer from W-2 form.  
**(Column 2)** Enter the amount of Tiffin City Income Tax withheld as shown on W-2 form.  
**(Column 3)** If city tax has been withheld for another city, enter city name.  
**(Column 4)** Enter the amount of city tax paid other city.  
**(Column 5)** List the TOTAL amount of all MEDICARE WAGES from all W-2 forms for the tax year. Income taxable by the city may differ from income taxed by the IRS. BE SURE TO ATTACH ALL W-2 FORMS WHEN FILING. If a sufficient number of forms are not provided by your employer, a photo copy will be accepted.

**NOTE: TAXPAYER WHOSE TOTAL TAXABLE INCOME IS SOLELY FROM W-2 FORM(S) of which 1-3/4% Tiffin city tax has been withheld, YOU MUST CALCULATE OUT THE TAX ON LINE 5. THIS AMOUNT SHOULD MATCH THE AMOUNT SHOWN ON LINE 6A. If LINE 5 is larger than 6A, a balance is due. If LINE 5 is less than 6A, a refund may be issued after being examined by the tax office.**

- LINE 2 -** Enter total amount of Federal Form 1099-Misc. and/or W-2G income. 1099 Misc. income is not to be confused with 1099 G, R, Int., or Div. (Attach copy of 1099 Misc. and/or W-2G Forms.)  
**LINE 3 -** (For Business Use) Enter on this line the amount of other income subject to city tax from LINE 29 from back side of this return.  
**LINE 4 -** Add together amounts on LINES 1, 2, 3. Enter total here.  
**LINE 5 -** Multiply amount on LINE 4 by 1-3/4% (.0175). Enter total on this line.  
**LINE 6(A) -** Enter total amount of Tiffin City Income Tax withheld by your employer(s).  
**LINE 6(B) -** An amount will appear here if overpayment was made on previous year tax return.  
**LINE 6(C) -** Amount paid on a Declaration of Estimated Tax will appear on this line.  
**LINE 6(D) -** Enter here tax paid to other municipalities, not to exceed 1-3/4%. You are permitted to take a tax credit for such other cities taxes withheld of up to 1-3/4% of the wages taxed by the other municipality. This credit is limited to the Tiffin tax rate because none of these taxes are received by Tiffin. They remain with the city of which they have been paid by your employer(s). EXAMPLE: If city tax has been withheld by an employer at a rate of 1-1/2%, (e.g. the City of Fremont), the Tiffin taxpayer is allowed full credit for the Fremont taxes paid (1-1/2%) of the wages, and would be liable for an additional tax to Tiffin for the difference in the tax rates between the two cities, or an additional tax on gross wages of 1/4%. If, however, an employer withholds tax for a city with a tax rate higher than Tiffin, for example, the City of Toledo (2-1/4%), the Tiffin taxpayer would be allowed a credit up to the amount of the Tiffin tax (1-3/4%) and no tax would be owed on those earnings. However, the excess 1/2% tax paid in this case MAY NOT be used to offset other taxable income. THE TAX CREDIT CALCULATION FOR TAXES WITHHELD FOR ANOTHER CITY IS TO BE MADE FOR EACH SEPARATE W-2 EARNINGS. IF TAX IS PAID TO ANOTHER CITY BY FILING WITH THAT CITY. A COPY OF THE RETURN MUST BE ATTACHED AS PROOF OF CREDIT TAKEN.  
**LINE 6(E) -** Add together CREDIT LINES 6 A, B, C, D. Enter total here.  
**LINE 7 -** Subtract LINE 6(E) from LINE 5. Enter the difference here. This is the amount of TAX DUE. If the result is an overpayment, enter that amount on LINE 9.  
**LINE 7a. -** Enter \$25.00 late filing penalty if tax return is filed after due date.  
**LINE 8 -** Add together lines 7 AND 7a. This is the amount payable to the City of Tiffin. The amount shown in this space must also be entered on LINE 14. If amount is less than \$1.00, you do not have to pay. NO refunds will be issued for amounts under \$1.00.  
**LINE 9 -** If amount on LINE 8 resulted in an overpayment, enter the amount on this line. This amount can either be applied to the next year's Declaration or a refund may be issued after being audited by the Tax Department. Check appropriate box.

### DECLARATION OF ESTIMATED TAX

(Filing a Declaration of Estimated Tax is not required for those taxpayers whose sole taxable income is local and Tiffin city tax is withheld. It is directed primarily toward businesses and those individuals receiving income taxable to the City of Tiffin but from which Tiffin Income Tax will not be withheld.)

- LINE 10 -** Multiply total estimated income subject to Tiffin City Tax by 1-3/4% (.0175) or if taxes withheld by another city refer to example in line 6D above. The estimated tax due is 90% (.90) of the estimated tax liability, payable in 4 equal installments. Enter amount here.  
**LINE 11 -** Enter 1/4 of the amount on LINE 10.  
**LINE 12 -** Subtract overpayment from prior year: Enter amount from LINE 9 to be credited to this estimate. Note: Prior year credit could exceed the amount of 1st 1/4 payment, if this is the case then that amount would carry along to pay part or all of the succeeding quarters.  
**LINE 13 -** Enter amount to be paid with this declaration. Remaining quarters will be billed unless tax department is instructed otherwise.  
**LINE 14 -** Add amounts from LINE 8 (Tax Return) and LINE 13 (1st Qtr. Declaration of Estimate Tax payment.) Primary payment methods are cash, check or money order. Payment by credit card is offered as a convenience, therefore a convenience fee of \$3.50 will be applied if paying by credit card. Make checks payable to City of Tiffin - Income Tax.

### INSTRUCTIONS FOR BACK OF RETURN

(Complete if applicable)

- LINE 1 THRU 22 - SCHEDULE "C" - PROFIT (or loss) FROM BUSINESS OR PROFESSION**  
Must follow form on Tax return or may substitute Federal Schedules.  
**LINE 23 - SCHEDULES E & F - INCOME FROM RENTS OR FARM**  
Must follow form on Tax Return or may substitute Federal Schedules.  
**LINE 24 -** Enter here the total business profit (or loss) as shown on Line 22 Schedule "C." Losses may offset profits. (MAY SUBSTITUTE FEDERAL SCHEDULE "C," 1065, 1120, 1120S, 1120A, or K-1.)  
**LINE 25 -** Enter here figures brought up from calculation of Schedule X, below. The amount on this line is to be added or subtracted from LINE 24.  
**LINE 26 -** Enter result of calculation between LINE 24 & 25.  
**LINE 27 -** If Schedule Y is used, enter on this line the percentage of income to be allocated.  
**LINE 28 -** Enter here the total rental and/or farm profit (or loss) as shown on Line 23 Schedules E & F. Losses may offset profits. (MAY SUBSTITUTE FEDERAL SCHEDULES E or F.)  
**LINE 29 -** Enter here the amount of either LINES 27 and/or 28. This amount is to be carried over to LINE 3 on the front of this return.

### SCHEDULE X - RECONCILIATION WITH FEDERAL INCOME TAX RETURN

This schedule is used to adjust your Federal Net Income to your Tiffin Taxable Income. The left hand column is for items deductible on the Federal Return but not deductible under the Tiffin Ordinance. The right hand column is for items taxable on the Federal Return but not taxable by Tiffin. Applicable only if you are a corporation or partnership, or an individual with 2106 expense.

#### EXAMPLES:

- Non-residents who perform services both within and outside of Tiffin must divide the number of days worked in Tiffin by total days worked (260 days)
- Business and Professions which deduct State and City Income Tax on Schedules 1065 & 1120, must list these items on line B of Schedule X.
- If only reason Sch. X, Line K-1 is being used, in reporting of 2106 expense, and no other portion of Sch. X is used, and that expense is related solely to W-2 Income, that adjustment may be entered on Line K-1 and transferred directly to line 3 front of return as a negative.
- Line K-2 Sch. "C" Medical Care Insurance Premiums may be deducted to same extent taxpayers are currently entitled to deduct on Federal Form 1040. (Example: (1) Premium Exp. \$7,000, Net Income \$5,000, result zero income, (2) Premium Exp. \$7,000, Net Income \$10,000. Result \$3,000, Income.) Must attach copy front page of Form 1040.  
on LINE 25 above.

**SCHEDULE Y BUSINESS ALLOCATION FORMULA.** See Ordinance No. 68-24 Sec. 3-B

**NOTE: Losses from business activity MAY NOT be used as a deduction from wage/salary type earnings.**

**SIGNATURE** - Do not fail to sign and date your return before submitting it to the Tiffin Income Tax Department. A return is not "filed" within the meaning of the law, until signed by the taxpayer or an agent legally authorized to sign tax returns for such taxpayer.

## - IMPORTANT PLEASE READ -

This is your City of Tiffin Income Tax Return. Included are the Annual Return, Declaration of Estimated Tax form, and instructions.

Estimated tax, when applicable, must be paid in 4 equal installments on all earned income without payroll withholding. **First payment must be included with the initial filing of a Declaration of Estimated Tax.** Remaining payments will be billed when due. Taxpayers filing on fiscal year basis should substitute appropriate dates.

**Make sure your remittance for tax due is enclosed with your return along with copies of all appropriate schedules and W-2 forms. Make checks payable to the City of Tiffin. There will be a \$15.00 charge for returned checks.**

Assistance with the preparation of this tax return is available from the tax office by calling 448-5405 or by stopping in the City Hall Annex Building, 53 East Market Street between the hours of 8:30 a.m. and 4:30 p.m.

### GENERAL INFORMATION

#### WHO IS REQUIRED TO FILE A RETURN:

In accordance with City Ordinance 68-24, the following entities are required to file a city tax return:

Resident individuals, 18 years of age and older who resided within the City of Tiffin for the full or partial year.

Resident businesses within the city limits of Tiffin for the full or partial year.

Non-resident individuals, 18 years of age or older, on income earned within the city limits of Tiffin on which city tax is not withheld.

Non-resident businesses or professions, on the portion of income attributable to Tiffin for work performed and/or services rendered within the city limits.

**RETIRED RESIDENTS** without taxable income need only to complete the upper section and sign the tax return.

#### PARTIAL YEAR RESIDENCY TAX LIABILITY:

If you moved into or outside the city limits of Tiffin during the year and you have income earned from a non-resident employer, you need only to report the portion of your income earned while you actually resided in Tiffin. The wage amount on your W-2 form may not reflect a breakdown of what portion of income was earned before or after you became a resident. Choose one of the three options listed below to establish the amount of your income taxable to Tiffin.

1. Get a year-to-date gross wage figure from the paycheck stub with a date closest to the date you moved into or outside Tiffin. (Attach copy of check stub.) **See below for Special Instructions.**
2. From your employer, get a breakdown of your year-to-date earnings and tax withheld closest to the date you moved into or outside Tiffin. (Attach documentation from employer with this information.) **See below for Special Instructions.**
3. Divide the gross wage figure from your W-2 form by the number of months actually worked for the non-resident employer. Multiply this amount by the number of months you lived inside the city Limits of Tiffin. Tax withheld will need to be prorated using the same formula. (Attach worksheet of your arithmetic.)

#### IF USING OPTION 1 OR 2 PLEASE NOTE:

If you moved out of Tiffin, use the year-to-date amount as shown.

If you moved into Tiffin, subtract the year-to-date amount from your W-2 gross wage figure. This will establish the portion of your income that is taxable to Tiffin.

Enter this pro-rated amount in Column 5. Tax withheld credit amounts will also need to be pro-rated using the same formula. Also please attach some piece of mail correspondence showing your out of city address for purpose of verification.

**FILING STATUS:** You do not have to maintain the same filing status on your Tiffin Return as you claim on your Federal Return. Since there is no financial benefit to filing separate returns, joint filing is strongly encouraged.

**WHEN AND WHERE TO FILE RETURNS:** Taxpayers who have their taxable year ending on December 31, must file on or before the following April 15. Taxpayers on a fiscal year basis must file within 4 months following the end of such a period. This return is to be filed with the City Income Tax Department, City Hall Annex, 53 East Market Street, P.O. Box 518, Tiffin, Ohio. Total amount due must be paid when the return is filed. If deadline cannot be met, a request for extension must be filed and approved by the tax administrator. If no request for extension is filed, a late charge of \$25.00 will be applied.

**EXTENSION POLICY:** Taxpayers will be granted extensions if a written request or a copy of the Federal Extension (i.e., 4868 or 7004) is provided to the Tiffin Tax Department on or before due date. Failure to provide such request may result in the assessment of a late filing penalty.

**PENALTY AND INTEREST:** Except in those cases where an extension was filed, a penalty of \$25.00 shall be due on returns filed after the due date, even when no tax is due. Interest at the rate of 1-1/2% per month will be charged from the original due date of the return until date of actual payment, whether or not an extension was filed.

**TAXABLE INCOME:** Income from wages, tips, salaries, commissions, third party sick pay, severance pay, wage continuation, sheltered annuities, incentive payments, strike pay, jury duty, bonuses, director's fees, union steward fees, executor fees, gambling (W-2G) winnings, profit from rental property and profit from business or profession. This list is not intended to be all inclusive. If you have any questions regarding what may or may not be taxable, please contact the City Tax Department.

**NON-TAXABLE INCOME:** Interest, dividends, capital gains, social security and other retirement and/or pension benefits, alimony received, military pay, royalties, welfare, unemployment compensation, and income earned by persons under age 18.

**FEDERAL ADJUSTMENTS NOT ALLOWED:** Keogh, HR-10, IRA, 401-K, Tax Sheltered Annuities, and NOL Forward or Back.

**GROSS WAGES:** City tax is based on Medicare wages (Box 5 on W-2). Contributions to deferred compensation plans are not recognized by the City of Tiffin and cannot be excluded from your wages to determine your Tiffin taxable income. As a result, the distributions from these plans are not taxed. The amount shown in Box 5 and the local wages, tips, etc. Box 18 of your W-2 should reflect the same wage figure in which your employer has withheld local income tax.

**ROUNDING:** You may round off cents to whole dollars on all lines except lines 6 (B), (C), and (E).

**REFUND VERIFICATION:** Requests for refunds must be accompanied with a written explanation for such request and the following documentation:

1. Copy of Driver's License or Birth Certificate showing date of birth of minor for whom city tax was withheld.
2. Verification from employer if tax was erroneously withheld for any reason other than employee being under 18 years of age.

**WHAT CONSTITUTES NET PROFIT:** Net profit is the income from the operation of a business, profession or enterprise and the use of property, after the provision for all ordinary and necessary expenses, either paid or accrued, in accordance with the accounting system used by the taxpayer for Federal Income Tax purposes, adjusted to the requirements of the Tiffin Income Tax Ordinance. Note that City, Federal or State Taxes, based on income, are not deductible in determining net profit.

**ALLOCATION OF PROFITS:** The business allocation percentage formula is to be used by corporation or non-resident business entities doing business within and outside of Tiffin if actual records of their Tiffin profits are not maintained.

Determine the ratio of the Tiffin portion of:

1. Average value of real and tangible property;
2. Total sales regardless of where made;
3. Total compensation paid to all employees.

Add the ratios obtained and divide the number of ratios to obtain business allocation percentage. A ratio shall not be excluded from the computation because it is allocable entirely within or outside of Tiffin. This computation is to be reported as Schedule Y, on back of form. (See Ordinance No. 68-24 Sec. 3-B)

**CHANGE IN TAX LIABILITY:** An amended Tiffin Return is required within three months of the final determination of any changed tax liability resulting from Federal audit, Judicial decision, or other circumstance.